

LEGISLATIVE COMMITTEE ON NEW LICENSING BOARDS

BOXING COMMISSION



ASSESSMENT REPORT

1995



North Carolina General Assembly

Legislative Services Office
Legislative Office Building
300 N. Salisbury Street, Raleigh, N. C. 27603-5925

GEORGE R. HALL, JR., Legislative Administrative Officer
(919) 733-7044

DONALD W. FULFORD, Director
Automated Systems Division
Suite 400, (919) 733-6834

GERRY F. COHEN, Director
Bill Drafting Division
Suite 100, (919) 733-6660

THOMAS L. COVINGTON, Director
Fiscal Research Division
Suite 619, (919) 733-4910

TERRENCE D. SULLIVAN, Director
Research Division
Suite 545, (919) 733-2578

May 31, 1995

TO THE MEMBERS OF THE GENERAL ASSEMBLY:

Attached for your consideration is the assessment report on the North Carolina Boxing Commission (House Bill 555). This report serves as both the preliminary and final assessment reports, as required under Article 18A of Chapter 120 of the General Statutes.

Senator David Parnell, Chairman
Legislative Committee on New Licensing Boards

PREPARED BY:
Linwood Jones, Counsel
Legislative Committee on New Licensing Boards

**MEMBERS OF THE LEGISLATIVE COMMITTEE
ON NEW LICENSING BOARDS**

(1995-96)

Senator David Parnell, Chairman

Senator Frank Ballance

Representative Michael Decker

Senator Fred Hobbs

Representative Linwood Mercer

Senator Paul Smith

Representative Frank Mitchell

Senator R.C. Soles

Representative Wilma Sherrill

ASSESSMENT REPORT

House Bill 555 would establish a North Carolina Boxing Commission in North Carolina to regulate the sport of boxing, primarily for two reasons: (1) to protect the safety of the participants and (2) to promote the public's confidence and trust in the regulation of and the conduct of boxing. The Boxing Commission would be a 5-member Commission, housed within the Department of the Secretary of State. The Commission would have exclusive authority to issue rules for the conduct, promotion, and performances of boxing matches and exhibitions, with specific regulatory authority over all licenses and permits to be issued, ticket sales, boxing weight and skill classifications, contracts and financial arrangements, boxing facilities, insurance and bonding requirements, and related areas.

House Bill 555 specifically calls for the licensing of all announcers, contestants, judges, managers, matchmakers, promoters, referees, timekeepers and seconds involved with boxing in this State. It is this licensing requirement (see proposed §143-654(b)) that brought House Bill 555 within the jurisdiction of the Legislative Committee on New Licensing Boards.

There are currently no State laws or regulations governing boxing. North Carolina is one of only a few states without a boxing commission to regulate the conduct of the sport. The failure to regulate boxing poses numerous problems to participants, promoters, the public, and others. First, North Carolina has been targeted as a site for "no holds barred" contests (such as the Ultimate Warrior contest in April in Charlotte). These contests are extremely violent and allow the use of virtually any type of combative

technique to fight an opponent. The risk of serious injury and death in these types of unregulated matches are very high. The absence of State boxing regulation in North Carolina is the reason the State has been targeted for these matches.

Second, boxing is itself a sport that needs to be regulated and overseen. States with boxing commissions generally regulate, for the boxers' safety, the frequency of matches a boxer can engage in. A boxer who is knocked out in another State may be required to sit out a period of time, for example 30 to 60 days, before boxing again, but a boxer knocked out in North Carolina could be in the ring again in a matter of days, without regard to his safety. Under House Bill 555, the Boxing Commission will be assisted in this area with advice from a Medical Advisory Board.

Third, the public needs to have confidence in the conduct, judging, and scoring of boxing matches. House Bill 555 licenses the judges, referees, timekeepers, and seconds to ensure integrity in the match itself. The public also needs to have confidence in the promotion of boxing; this protects the public, the boxers, and the promoters. The Secretary of State recently received a complaint involving the defective posting of a bond in connection with a match in this State which resulted in losses of over \$3,000 to persons providing services relating to the match and which victimized seven boxers.

Fourth, the contractual arrangements surrounding boxing events need to be regulated for the benefit of promoters, participants, boxers, spectators, and all others involved in the sport. The Secretary of State recently received another complaint in which one opponent, an hour before the event, decided not to fight, thereby breaching a contractual obligation to fight and leaving the promoter, host site, the boxer, and the fans with no fight.

The Legislative Committee on New Licensing Boards makes the following findings concerning the various activities and professions (promoters, judges, referees, etc.) that would be licensed under House Bill 555:

- (1) The unregulated practice of boxing activities can substantially harm or endanger the public health, safety, or welfare, and the potential for such harm is recognizable and not remote or dependent upon tenuous argument.
- (2) Many of the boxing activities to be regulated possess qualities that distinguish them from ordinary labor.
- (3) Many of the boxing activities require specialized skill and training.
- (4) A substantial majority of the public does not have the knowledge or experience to evaluate the competence of the various boxing personnel that would be licensed.
- (5) The public cannot be effectively protected by other means.
- (6) Licensure would not have a substantial adverse economic impact upon consumers.

The Legislative Committee on New Licensing Boards recommends the creation of a North Carolina Boxing Commission with the authority discussed in House Bill 555.

This assessment report is based on House Bill 555 and the questionnaire response submitted by the sponsor (attached).

Boxing

Please supply information for the following questions to the Committee on New Licensing Boards. Please use the space provided. Supporting documents may be attached.

I. A. In what ways has the marketplace failed to regulate adequately the profession or occupation?

Presently there are no governmental regulations in place affecting boxing in North Carolina. Consequently there are no safeguards to protect contestants or the public.

B. Have there been any complaints about the unregulated profession or occupation? Please give specific examples including complainant's names and addresses.

1) The Secretary of State received a complaint on March 2, 1995 from a South Carolina promoter who is involved in promoting matches in North Carolina. The complaint involved the defective posting of a surety bond in connection with a match held in Durham, with resulting losses of \$3,200 to persons providing services related to the holding of that match. Seven boxers were victimized. The complainant was:

Mr. Bobby Mitchell
Mitchell's Promotion and Boxing Gym
P.O. Box 1636
Irmo, South Carolina 29063
Tel. (803) 732-7024

2) The much publicized "Ultimate Warrior" matches held in Charlotte April 7, 1995 were the target of a complaint letter written to the Governor by U.S. Senator John McCain. These matches allowed individuals from all walks of life to use any type of combative technique to compete for large amounts of prize money. A commission with authority to enforce a properly structured statute would prevent these types of matches in the future.

3) On February 17, 1995, Christy Martin, women's world lightweight champion, was scheduled to fight a main event in Raleigh. An hour before the scheduled bout, her opponent quietly left the building, deciding not to honor her contract. The audience was very upset at the failure to hold the match they had paid to attend. A commission would be able to discourage occurrences similar to this by enforcing a regulatory system providing disincentives for such behavior.

II. A. In what ways has the public health, safety, or welfare sustained harm or is imminent danger of harm because of the lack of state regulation?

Without any regulations regarding the safety or the health of boxers in North Carolina, there is no system to examine the history and fitness of the fighter or

1

the character and legitimacy of the promoter and other participants. The creation of a regulatory commission would allow the examination of a boxer's record, his physical condition, and the backgrounds and history of the promoters and others involved in the conduct of matches and exhibitions.

- B. Please give specific examples including names and addresses.

Because of the potentially hazardous consequences of allowing unsupervised and unregulated boxing matches, it is imperative that an effective regulatory system be implemented to prevent serious and unnecessary injuries to contestants. Furthermore, the lack of regulation currently makes North Carolina ripe for fraudulent schemes perpetrated by unscrupulous promoters.

- III. A. Is there potential for substantial harm or danger by the profession or occupation to the public health safety or welfare? How can this potential for substantial harm or danger be recognized?

Without regulatory authority, North Carolina cannot reasonably expect to insure the safety of the boxers or to protect the participants and the public from fraudulent activity.

- B. Has this potential harm or danger to the public been recognized by other states or the federal government through the licensing or certification process? Please list the other states and give the relevant statutory citations.

At this time, there are only three other states that do not have a boxing commission established. The three states are: Colorado, South Dakota, and Wyoming.

- IV. A. What will be the economic advantage of licensing to the public?

Licensing (including record and background checks) will prevent fraud and loss through fraud for the boxers, the public, and other participants. Protecting the health of the boxers and offering them career opportunities are two tangible benefits.

B. What will be the economic disadvantages of licensing to the public?

Except for the fees charged for various licenses, there should be no disadvantages.

C. What will be the economic advantages of licensing to the practitioners?

With a commission, results of matches and the boxers' records will be recognized throughout the boxing world. Unethical and dishonest promoters and other participants will be eliminated through the licensing process.

D. What will be the economic disadvantages of licensing to the practitioners?

Except for the fees charged for the various licenses, there should be no disadvantages.

E. Please give other potential benefits to the public of licensing that would outweigh the potential harmful effects of licensure such as a decrease in the availability of practitioners and higher cost to the public.

Having an effective commission and the issuance of licenses will attract more and better fight cards to North Carolina. The resulting improvement in safety precautions will reduce injuries, and fraud will be greatly reduced or eliminated altogether.

V. A. Please detail the specific specialized skills or training that distinguish the occupation or profession from ordinary labor. How is each justified?

By having access to and examining individual boxers' records as well as their medical records, evenly matched boxing cards will be assured. The participants' backgrounds, experiences and interests in boxing sets this type of athlete apart from those in other sports.

B. What are other qualities of the profession or occupation that distinguish it from ordinary labor?

Boxing is a pursuit involving the development of athletic expertise and skill. This is developed over time and through experience, and is judged by those with similar backgrounds, experiences and interests.

- VI. A. Will licensing requirements cover all practicing members of the occupation or profession? If any practitioners of the profession or occupation will be exempt, what is the rationale for the exemption?

Yes, all participants in the sport will be licensed and come under the regulation of the Commission. There will be no exceptions.

- B. What is the approximate number of persons who will be regulated and the number of persons who are likely to utilize the services of the occupation or profession?

According to data furnished by the Florida State Athletic Commission, there were 585 individual participants in North Carolina in 1994. This number was spread over twenty-one boxing events held in the State last year.

- VII. What kind of knowledge or experience does the public need to have to be able to evaluate the services offered by the occupation or profession?

Being a spectator sport, boxing requires very little knowledge or experience on the part of the public.

- VIII. Does the occupational group have an established code of ethics, a voluntary certification program, or other measures to ensure a minimum quality of service? Please document.

No, regulation at this time is left up to the discretion of the managers and promoters.